

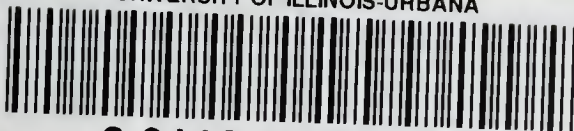
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SELLING TIMBER



UNIVERSITY OF ILLINOIS-URBANA



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IN ILLINOIS

State of Illinois
DEPARTMENT OF CONSERVATION
DIVISION OF FORESTRY

This leaflet has been prepared by the Division of Forestry to acquaint Illinois citizens with the basic knowledge necessary to conduct a successful timber sale.

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Do you have trees that are ready for harvest?

Do you want to receive full value for your trees?

Do you care about future income from your woodland?

If you answered YES to these questions, the information contained in this guide should be carefully considered before making any timber sale.

CONTACT YOUR DISTRICT FORESTER

1. A successful timber sale requires understanding of the following:

A. Volume — Estimating volumes of rough wood products on the farm requires a knowledge of the various units of measurement used.

Basic units of measure are:

Board foot (bd. ft.)Veneer and lumber

Cord or weight (ton)Pulpwood

Linear footPiling

Stave bolt footCooperage

B. Species — Timber marketing is highly specialized. Species and quality must be recognized and offered to the best markets to obtain the best price.

2. While general market conditions are the major factors in determining price ranges, certain local considerations also affect the actual price received. These are:

A. Accessibility. The distance timber must be moved to a good road or the necessity of obtaining a right-of-way across adjoining property can reduce payments.

B. Site and Terrain. Harvesting costs increase when road building is necessary or when logging must be done in steep, rough terrain.

C. Distance to market. Transportation costs increase in proportion to the over-the-road hauling distance to the mill.

D. Size of sale. Small volumes of timber scattered over a large area is more costly to harvest as opposed to high volumes per acre concentrated in one area.

E. Tree size and quality. Large trees free of knots and defects are the most valuable. Small, limby, defective trees do not bring premium prices.

CAREFULLY PLANNING THE SALE AND HARVEST OF YOUR TIMBER CROP WILL MEAN A MORE PROFITABLE SALE NOW AND IMPROVE THE FUTURE EARNING POWER OF YOUR WOODLAND.

METHODS OF MARKETING STANDING TIMBER

1. **STUMPAGE SALES:** Stumpage is the term applied to standing timber. Methods of selling stumpage are:

A. **Selective Cutting** — (Marked timber) trees to be harvested **marked and scaled by a forester**; volume estimate enables owner to determine a fair stumpage value; a base for competitive bid is established with buyer bidding on a known quantity and quality of material. A highly productive woodland remains. (PREFERRED METHOD)

B. **Lump Sum** — (Buyer take all) unknown quantity and quality of timber is sold. Experienced buyer has a great advantage over seller in determining stumpage value. The woodland is usually left in a seriously deteriorated condition.

C. **Diameter Limit** — (Variation of Lump Sum) buyer establishes lower limit on size of trees to be cut. Trees below this minimum size would be unprofitable to him.

D. **By Scale** — (Marked or Buyer take all) Before any trees are cut the owner-buyer should have a clear understanding of the **specifications** of logs to be taken. Species, size, allowable defect, grades and log rule must be agreed upon prior to cutting. The product (logs, pulpwood, poles, etc.) is scaled after cutting and payment received on a rate per unit basis. Owner should always be represented when products are scaled.

MARKED TIMBER HARVEST



BUYER TAKE ALL CUT

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2. **OWNER LOGGING:** Greater returns can be realized if you have the time, know-how, labor, and equipment to carry out the logging operation economically.

A. **Road side or At-the-Mill** — the same facts regarding specifications hold true for “owner logging” as selling by scale. The conversion of standing trees into rough products requires considerable skill. Prices vary with grades; improperly cut products will be degraded thus lowering their value. Marketing should be carefully planned.

B. **Home use** — a sound knowledge of wood properties, the ability to log and haul to the mill and careful utilization can supply a large portion of home wood requirements at lower costs. Trees of relatively low merchantable value can be used, thus making trees of high value available for sale.

SELLING TIMBER INCLUDES

1. Knowing what you are selling.
2. Following your Foresters advice.
3. Checking cutting operation while in progress.
4. Carrying out follow-up recommendation to insure a future timber crop.

TREE SCALES AND LOG RULES

Price quotations for stumpage and logs are given in volume units of thousand board feet (MBF) as measured by a known scale. There are a number of different scales in use throughout the state. The most commonly used are the International, Scribner, and Doyle. Trees or logs with identical measurements will give different volume estimates, particularly in the smaller diameters, using the separate scales. (Scale cards giving a comparison of the International and Doyle rules are available from the Division of Forestry.)

PRICES

The Illinois Co-operative Crop Reporting Service publishes a report entitled **TIMBER PRICES**. Quotations from this report should be used as a **GUIDE** only when estimating the market value of timber, logs or other rough wood products.

TIMBER SALES CONTRACTS

For the protection of both buyer and seller a timber sales contract is necessary for all sales. Upon request your forester will give you a sample contract. The contract is for your guidance and should be reviewed by your attorney. The essential points to be covered in any contract include the following:

1. Price, manner, and time of payment.
2. Description of timber or timber products.
3. Conditions and restrictions of cutting operations.
4. Guarantee of title.
5. Statement clarifying transfer of title.
6. Personal and property liability.
7. Time contract is to run and termination date.

TIMBER BUYERS

THE UNSCRUPULOUS: The vast majority of timber buyers are conscientious, hard working citizens of their communities. Only a very few are out to make a “fast buck”. **Beware of any cut-now-pay-later type of offer.**

LICENSED: Anyone buying timber or logs in Illinois must be licensed by the Department of Conservation. Owners should assure themselves that any prospective buyer is licensed. Carrying cards identifying the buyer by name and license number are issued for this purpose.

WHEN SELLING TIMBER

Beware of the buyer who is “In-A-Hurry”

Obtain several bids

Check buyers references before selling

Have a written contract

Require full payment before allowing any cutting to commence

Sell only to licensed buyers

OTHER USEFUL PUBLICATIONS AVAILABLE

How to Measure Trees

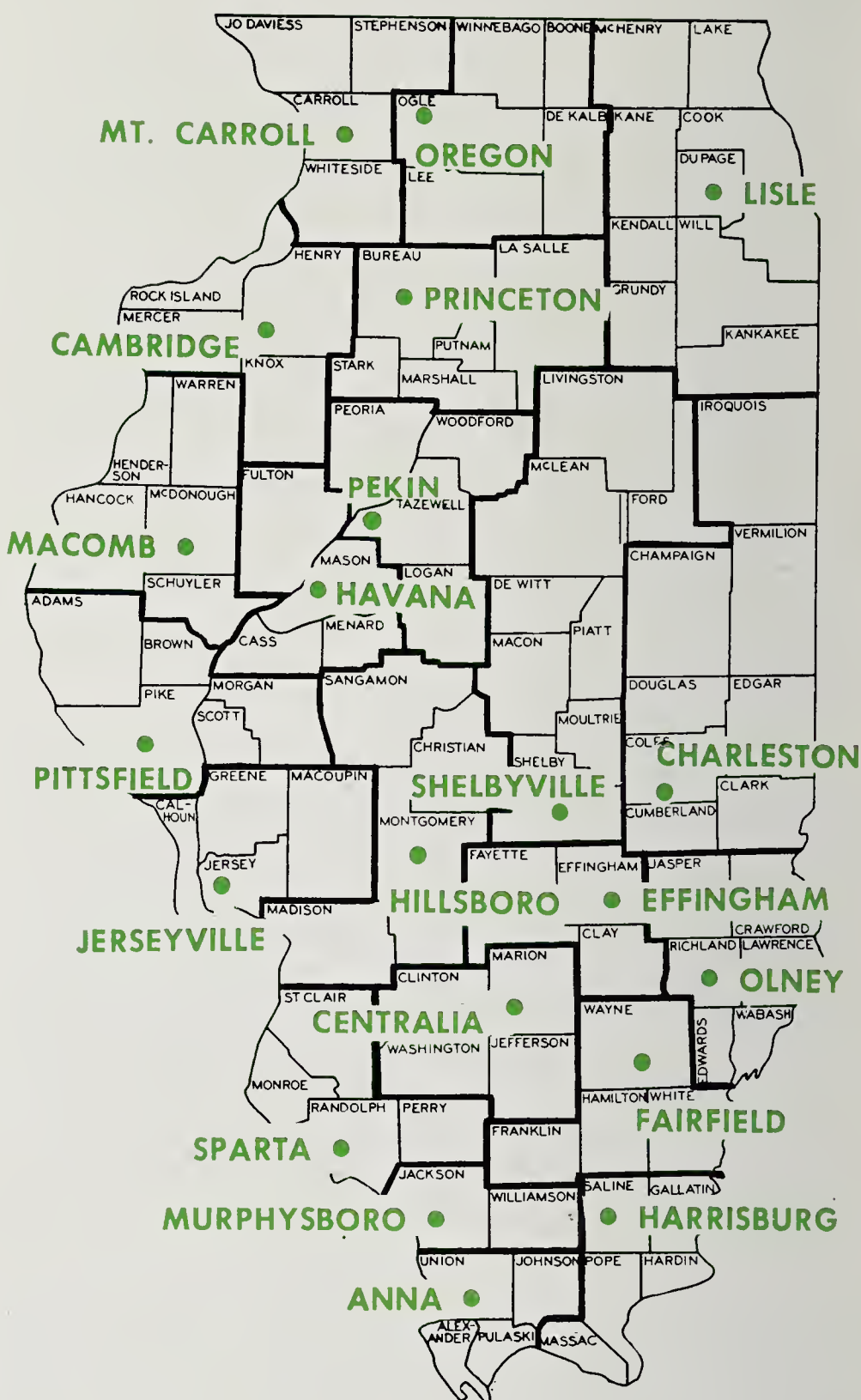
Measuring and Marketing Farm Timber

Logging Farm Wood Crops

Selecting, Seasoning, Using Homegrown Lumber

Farm Framing Lumber

LOCATION OF DISTRICT FORESTERS



For information and assistance on selling your timber or other forestry information, contact your State Forester at Springfield, Illinois, or your local District Forester.

Proper Management + Successful Sales =
Greater Sustained Income